

SASKATCHEWAN POLICY STATEMENT 32-601

PERSONS QUALIFIED TO GIVE ADVICE UNDER THE REGISTRATION EXEMPTIONS UNDER CLAUSES 39(1)(m.1) AND 39(1)(aa) OF THE SECURITIES ACT, 1988

PART 1 DEFINITIONS

“Act” means *The Securities Act, 1988* (Saskatchewan);

“Commission” means the Saskatchewan Securities Commission;

"Issuer" means a person who or company which issues and intends to issue securities relying on the registration exemption in clause 39(1)(m.1) of the Act and whose securities trade or are to be traded relying on the registration exemption in 39(1)(aa) of the Act;

"Promoter" means a person who or company that takes the initiative in founding, organizing or substantially reorganizing an Issuer; and

"Regulations" means *The Securities Regulations* (Saskatchewan).

PART 2 PURPOSE

2.1 The purpose of this policy is to set out the qualifications of advisers acceptable to the Commission to give advice to purchasers of securities under the registration exemptions in clauses 39(1)(m.1) and 39(1)(aa) of the Act.

PART 3 REQUIREMENTS

3.1 Under clause 39(1)(m.1) of the Act registration is not required in respect of:

“a trade by a reporting issuer in a security of its own issue, to a person who or company that accepts the security as settlement of part or all of a debt owing to that person or company by that reporting issuer *where the person or company obtains independent advice from an adviser acceptable to the Commission;*”

3.2 Under clause 39(1)(aa) registration is not required in respect of:

“a trade by a registered real estate broker, by an authorized official of a registered real estate broker or by a registered real estate salesperson acting in the course of his or her employment in securities of an issuer where:

(i) the trade results from the listing for sale with a broker of real estate, or of real estate and other assets, owned by the issuer;

(ii) the securities traded include all the outstanding securities of the issuer;

(iii) the trade is to a single purchaser or to a group of purchasers who have not been introduced to each other by the vendor or by anyone acting on behalf of the vendor; and

(iv) *the purchaser obtains advice from an adviser acceptable to the Commission before he or she enters into a binding contract of purchase.*

3.3 For the purposes of clause 39(1)(m.1) of the Act those persons who or companies which may give advice to a purchaser must meet the qualifications set out in section 99.2 of the Regulations.

3.4 For the purposes of clause 39(1)(aa) of the Act those persons who or companies which may give advice to a purchaser are:

- (a) a lawyer who is a practicing member in good standing of the Law Society of Saskatchewan;
- (b) an accountant who is a member in good standing of The Institute of Chartered Accountants of Saskatchewan, the Certified General Accountants Association of Saskatchewan, or the Society of Management Accountants of Saskatchewan; or
- (c) a dealer or an adviser registered under the Act who is authorized under the Act to sell or give advice with respect to the type of securities being traded;

provided that such person:

- (d) does not have a professional, business or personal relationship with the Issuer, its Promoters, directors, officers or controlling shareholders or the vendor of the securities; and
- (e) has not acted for or been retained personally or otherwise as an employee, officer, director, associate or partner of a person who or company which has acted for or been retained by the Issuer, its Promoters, directors, officers or controlling shareholders or the vendor of the securities within the previous two years.

PART 4 EFFECTIVE DATE

4.1 This policy is effective on May 15, 1996.

"Marcel de la Gorgendière" _____
Marcel de la Gorgendière, Q.C.
Chairman